

	EXPENDITURES 1983	% CHANGE PRIOR YEAR	EXPENDITURES 1982	% CHANGE PRIOR YEAR
HEATING & AIR-CONDITIONING	\$172,374,000	+ 5.2%	\$163,868,000	+ 5.0%
TRADE INCENTIVES				
Sales Force Merchandise	\$ 24,062,000	+ 4.5%	\$ 23,033,000	+ 6.4%
Travel	\$ 31,964,000	+ 4.9%	\$ 30,476,000	+ 8.3%
Dealer Merchandise	\$ 64,254,000	+ 5.6%	\$ 60,855,000	+ 3.1%
Travel	\$ 38,631,000	+ 5.1%	\$ 36,772,000	+ 5.4%
CONSUMER PREMIUMS				
Mail-In Promotions	\$ 4,819,000	+ 5.5%	\$ 4,567,000	+ 6.4%
Other Premiums	\$ 8,644,000	+ 5.9%	\$ 8,165,000	+ 1.3%
HOUSEWARES, HOME FURNISHINGS	\$158,078,000	+ 4.0%	\$152,041,000	- 2.0%
TRADE INCENTIVES				
Sales Force Merchandise	\$ 39,104,000	+ 3.4%	\$ 37,802,000	- 1.6%
Travel	\$ 7,016,000	+ 3.4%	\$ 6,787,000	- 0.4%
Dealer Merchandise	\$ 21,321,000	+ 3.4%	\$ 20,614,000	- 5.5%
Travel	\$ 5,572,000	+ 3.4%	\$ 5,388,000	- 2.1%
CONSUMER PREMIUMS				
Mail-In Promotions	\$ 5,121,000	+ 4.1%	\$ 4,920,000	+ 0.8%
Other Premiums	\$ 79,942,000	+ 4.5%	\$ 76,530,000	- 1.6%
INDUSTRIAL CHEMICALS	\$ 64,533,000	+ 7.7%	\$ 59,920,000	+ 6.8%
TRADE INCENTIVES				
Sales Force Merchandise	\$ 12,181,000	+ 10.5%	\$ 11,021,000	+ 11.5%
Travel	\$ 4,515,000	+ 6.8%	\$ 4,227,000	+ 8.1%
Dealer Merchandise	\$ 26,060,000	+ 7.8%	\$ 24,178,000	+ 6.0%
Travel	\$ 5,815,000	+ 6.4%	\$ 5,467,000	+ 3.2%
CONSUMER PREMIUMS				
Mail-In Promotions	\$ 3,603,000	+ 9.4%	\$ 3,292,000	+ 10.1%
Other Premiums	\$ 12,359,000	+ 5.3%	\$ 11,735,000	+ 4.6%
INSURANCE	\$374,718,000	+ 8.2%	\$346,279,000	+ 8.7%
TRADE INCENTIVES				
Sales Force Merchandise	\$142,084,000	+ 6.7%	\$133,118,000	+ 8.8%
Travel	\$120,388,000	+ 9.2%	\$110,266,000	+ 8.4%
Dealer Merchandise	\$ 9,736,000	+ 10.4%	\$ 8,817,000	+ 9.9%
Travel	\$ 41,188,000	+ 7.8%	\$ 38,201,000	+ 10.9%
CONSUMER PREMIUMS				
Mail-In Promotions	\$ 53,942,000	+ 9.9%	\$ 49,090,000	+ 7.8%
Other Premiums	\$ 7,380,000	+ 8.7%	\$ 6,787,000	+ 4.9%
LUGGAGE, JEWELRY, ACCESSORIES	\$ 18,502,000	+ 6.6%	\$ 17,357,000	+ 3.1%
TRADE INCENTIVES				
Sales Force Merchandise	\$ 5,816,000	+ 6.1%	\$ 5,484,000	+ 8.1%
Travel	\$ 2,019,000	+ 6.7%	\$ 1,893,000	+ 1.6%
Dealer Merchandise	\$ 3,765,000	+ 4.9%	\$ 3,589,000	- 2.3%
Travel	\$ 504,000	+ 9.3%	\$ 461,000	+ 6.5%
CONSUMER PREMIUMS				
Mail-In Promotions	\$ 4,291,000	+ 7.4%	\$ 3,994,000	+ 1.7%
Other Premiums	\$ 2,107,000	+ 8.8%	\$ 1,936,000	+ 8.8%

	EXPENDITURES 1983	% CHANGE PRIOR YEAR	EXPENDITURES 1982	% CHANGE PRIOR YEAR
MACHINERY & SUPPLIES	\$ 79,906,000	+ 5.3%	\$ 75,919,000	+ 2.5%
TRADE INCENTIVES				
Sales Force Merchandise	\$ 40,259,000	+ 5.1%	\$ 38,304,000	+ 1.1%
Travel	\$ 19,111,000	+ 4.9%	\$ 18,211,000	+ 5.9%
Dealer Merchandise	\$ 5,427,000	+ 5.8%	\$ 5,131,000	+ 0.7%
Travel	\$ 6,138,000	+ 6.0%	\$ 5,792,000	+ 2.7%
CONSUMER PREMIUMS				
Mail-In Promotions	\$ 5,163,000	+ 7.5%	\$ 4,801,000	+ 4.4%
Other Premiums	\$ 3,808,000	+ 3.5%	\$ 3,680,000	+ 1.4%
OFFICE EQUIPMENT	\$175,169,000	+ 7.8%	\$162,442,000	+ 8.5%
TRADE INCENTIVES				
Sales Force Merchandise	\$ 37,483,000	+ 6.8%	\$ 35,106,000	+ 20.9%
Travel	\$ 41,968,000	+ 9.8%	\$ 38,219,000	+ 6.1%
Dealer Merchandise	\$ 20,015,000	+ 5.8%	\$ 18,911,000	+ 4.9%
Travel	\$ 12,567,000	+ 12.0%	\$ 11,221,000	+ 8.4%
CONSUMER PREMIUMS				
Mail-In Promotions	\$ 9,014,000	+ 7.9%	\$ 8,352,000	+ 5.4%
Other Premiums	\$ 54,122,000	+ 6.9%	\$ 50,633,000	+ 4.7%
PAINTS & VARNISHES	\$ 42,024,000	+ 8.7%	\$ 38,663,000	+ 3.9%
TRADE INCENTIVES				
Sales Force Merchandise	\$ 10,088,000	+ 10.0%	\$ 9,168,000	+ 2.0%
Travel	\$ 3,137,000	+ 7.4%	\$ 2,922,000	+ 7.7%
Dealer Merchandise	\$ 7,587,000	+ 7.9%	\$ 7,034,000	+ 3.2%
Travel	\$ 7,376,000	+ 8.8%	\$ 6,779,000	+ 8.7%
CONSUMER PREMIUMS				
Mail-In Promotions	\$ 9,644,000	+ 7.9%	\$ 8,937,000	+ 2.4%
Other Premiums	\$ 4,192,000	+ 9.7%	\$ 3,823,000	+ 2.6%
PAPER PRODUCTS & PACKAGING	\$ 51,202,000	+ 8.3%	\$ 47,270,000	+ 3.3%
TRADE INCENTIVES				
Sales Force Merchandise	\$ 7,039,000	+ 8.7%	\$ 6,473,000	+ 1.9%
Travel	\$ 6,968,000	+ 8.9%	\$ 6,397,000	+ 3.9%
Dealer Merchandise	\$ 8,039,000	+ 7.4%	\$ 7,482,000	+ 2.5%
Travel	\$ 3,525,000	+ 13.2%	\$ 3,115,000	+ 6.8%
CONSUMER PREMIUMS				
Mail-In Promotions	\$ 14,216,000	+ 8.0%	\$ 13,167,000	+ 3.0%
Other Premiums	\$ 11,415,000	+ 7.3%	\$ 10,636,000	+ 3.9%
PETROLEUM PRODUCTS	\$183,925,000	+ 7.0%	\$171,912,000	+ 1.2%
TRADE INCENTIVES				
Sales Force Merchandise	\$ 43,211,000	+ 6.3%	\$ 40,669,000	+ 1.7%
Travel	\$ 6,923,000	+ 7.4%	\$ 6,444,000	+ 1.1%
Dealer Merchandise	\$ 57,422,000	+ 7.5%	\$ 53,402,000	+ 2.3%
Travel	\$ 7,417,000	+ 8.8%	\$ 6,818,000	+ 3.1%
CONSUMER PREMIUMS				
Mail-In Promotions	\$ 27,040,000	+ 5.2%	\$ 25,699,000	- 2.2%
Other Premiums	\$ 41,912,000	+ 7.8%	\$ 38,880,000	+ 1.1%

	EXPENDITURES 1983	% CHANGE PRIOR YEAR	EXPENDITURES 1982	% CHANGE PRIOR YEAR
PHARMACEUTICALS	\$101,048,000	+ 8.1%	\$ 93,480,000	+ 4.7%
TRADE INCENTIVES				
Sales Force Merchandise	\$ 35,818,000	+ 7.2%	\$ 33,401,000	+ 4.1%
Travel	\$ 9,423,000	+ 7.8%	\$ 8,739,000	+ 2.8%
Dealer Merchandise	\$ 15,810,000	+ 8.0%	\$ 14,643,000	- 0.6%
Travel	\$ 5,906,000	+ 7.8%	\$ 5,481,000	+ 4.6%
CONSUMER PREMIUMS				
Mail-In Promotions	\$ 15,211,000	+ 9.1%	\$ 13,945,000	+ 5.3%
Other Premiums	\$ 18,880,000	+ 9.3%	\$ 17,271,000	+ 2.4%
PUBLIC UTILITIES	\$ 17,129,000	+ 9.2%	\$ 15,685,000	+ 1.6%
TRADE INCENTIVES				
Sales Force Merchandise	\$ 4,182,000	+ 9.8%	\$ 3,809,000	+ 2.4%
Travel	\$ 2,024,000	+ 9.8%	\$ 1,848,000	+ 4.4%
Dealer Merchandise	\$ 2,316,000	+ 10.1%	\$ 2,103,000	+ 1.6%
Travel	\$ 259,000	+ 7.0%	\$ 242,000	+ 14.7%
CONSUMER PREMIUMS				
Mail-In Promotions	\$ 4,302,000	+ 8.5%	\$ 3,966,000	+ 1.3%
Other Premiums	\$ 4,046,000	+ 8.7%	\$ 3,722,000	+ 1.8%
PUBLISHERS & BROADCASTERS	\$167,963,000	+ 7.4%	\$156,319,000	+ 6.3%
TRADE INCENTIVES				
Sales Force Merchandise	\$ 68,040,000	+ 5.9%	\$ 64,226,000	+ 6.1%
Travel	\$ 9,161,000	+ 8.6%	\$ 8,437,000	+ 4.0%
Dealer Merchandise	\$ 8,842,000	+ 8.4%	\$ 8,158,000	+ 3.1%
Travel	\$ 4,088,000	+ 9.2%	\$ 3,742,000	+ 9.6%
CONSUMER PREMIUMS				
Mail-In Promotions	\$ 52,008,000	+ 8.7%	\$ 47,831,000	+ 9.2%
Other Premiums	\$ 25,824,000	+ 7.9%	\$ 23,925,000	+ 2.7%
SPORTING GOODS & TOYS	\$ 37,452,000	+ 7.4%	\$ 34,860,000	+ 2.4%
TRADE INCENTIVES				
Sales Force Merchandise	\$ 6,549,000	+ 6.1%	\$ 6,173,000	+ 2.4%
Travel	\$ 4,724,000	+ 6.5%	\$ 4,436,000	+ 4.9%
Dealer Merchandise	\$ 7,355,000	+ 8.0%	\$ 6,809,000	+ 0.8%
Travel	\$ 3,524,000	+ 9.0%	\$ 3,234,000	+ 5.5%
CONSUMER PREMIUMS				
Mail-In Promotions	\$ 7,482,000	+ 7.1%	\$ 6,983,000	+ 1.9%
Other Premiums	\$ 7,818,000	+ 8.2%	\$ 7,225,000	+ 1.4%
TOILETRIES & COSMETICS	\$558,235,000	+ 8.9%	\$512,812,000	+ 4.6%
TRADE INCENTIVES				
Sales Force Merchandise	\$178,154,000	+ 8.4%	\$164,273,000	+ 4.6%
Travel	\$ 25,417,000	+ 9.9%	\$ 23,126,000	+ 15.2%
Dealer Merchandise	\$ 69,425,000	+ 8.9%	\$ 63,774,000	+ 4.0%
Travel	\$ 9,188,000	+ 9.3%	\$ 8,404,000	+ 2.5%
CONSUMER PREMIUMS				
Mail-In Promotions	\$133,880,000	+ 8.9%	\$122,993,000	+ 4.0%
Other Premiums	\$142,171,000	+ 9.2%	\$130,242,000	+ 4.0%

NOTE

ONLY THE FOLLOWING PAGES OF THIS
PUBLICATION HAVE BEEN FILMED

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Incentive Marketing

INCORPORATING INCENTIVE TRAVEL

3/20/84
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MARCH 1984

Insurance
Update:

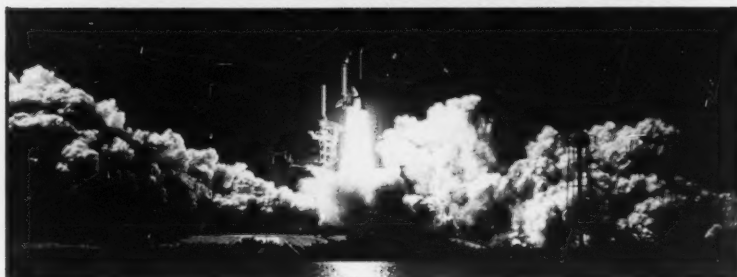
Looking for
Incentive Muscle

Special Section:
Florida Incentive Guide

A BILL PUBLICATION



March 1984



*Why is Florida the number one domestic incentive travel destination?
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Incentive planners try to get the most motivation out of tight budgets . . . Shelter Insurance "champions" get royal treatment . . . American Family agents get a taste of the Big Apple . . . For the Statesman Group, travel is the best incentive.

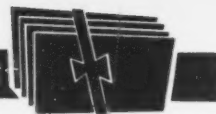
45 DESTINATION PROFILE: FLORIDA—

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Looking for incentive muscle

Planners seek more bang for their incentive bucks

With insurance sales falling short of projections in 1983, and fewer agents qualifying for merchandise and travel awards, insurance incentive planners say they will be looking to get more for their incentive dollars this year. Despite a sluggish 1983, insurance marketing executives surveyed by **Incentive Marketing** say they plan to maintain or step up incentive usage. They blame last year's lackluster performance on problems in the insurance field itself, not on their incentive approaches.

"The program itself is not the problem," writes one insurance executive from Cincinnati. "The problem is the competition in the insurance business—getting the business in the face of extreme rate-cutting."

At Shelter Insurance Co. in Columbia MO, **Bill Conboy** agrees it's been a tough time for the industry. "We include profit as a qualifier for our travel incentives, and this has been a real challenge in our business the past two years. It has held down attendance."

Still, the tough year for insurance did impact on incentive promotion in several ways. Respondents saw increased difficulty in selling programs to top management,

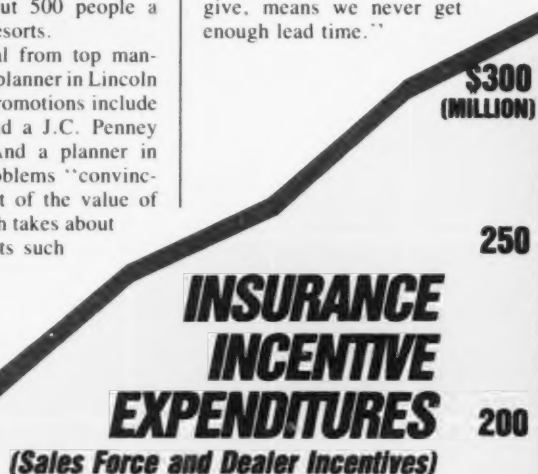
and stepped-up concern about the cost-benefit of incentives. And there was, as always, grumbling about the increased cost of incentive awards, particularly travel.

"Our biggest problem is convincing top management that travel incentives are good for business and morale," says a planner in Buffalo NY. "Also that the promotion program is worth the cost, and that travel incentives are more valuable than merchandise." His company takes about 500 people a year to Caribbean resorts.

"Getting approval from top management" bothers a planner in Lincoln NE, whose recent promotions include a trip to Hawaii and a J.C. Penney catalog program. And a planner in Durham NC has problems "convincing top management of the value of the program," which takes about 250 people to resorts such as Charleston and Williamsburg.

At Tristate Insurance in Minneapolis however, **L.K. Sargent** got the approval, and looks forward to his company's first travel program, anticipating about 150 people for Las Vegas.

Delays in approval, for whatever reason, lead to another problem, notes **Pat Zollicoffer** at Home Security Life in Durham NC. "Trying to get the marketing department to decide where we will go, and what we will give, means we never get enough lead time."



In tough times, "the biggest problem is convincing top management that incentives are good for business and morale," says one planner.

'75

'76

'77

'78

'79

'80

'81

'82

'83

TYPES OF AWARDS USED

TRAVEL

MERCHANDISE

74%

HONORS &
RECOGNITION

84%

TYPES OF TRAVEL (% OF TRAVEL USERS)

GROUP TRIP,
W/SPOUSE

35%

AGENTS-ONLY TRIPS

18%

REGIONAL OR
MULTI-LEVEL

24%

INDIVIDUAL TRAVEL

25%

TYPES OF MERCHANDISE

SINGLE PREMIUM

62%

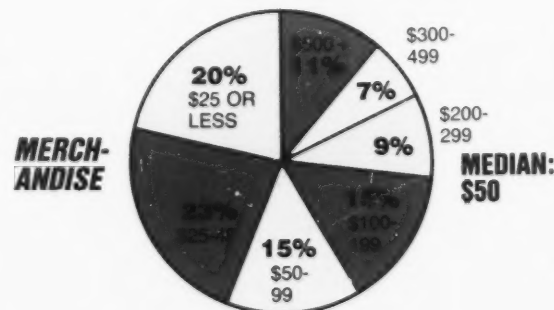
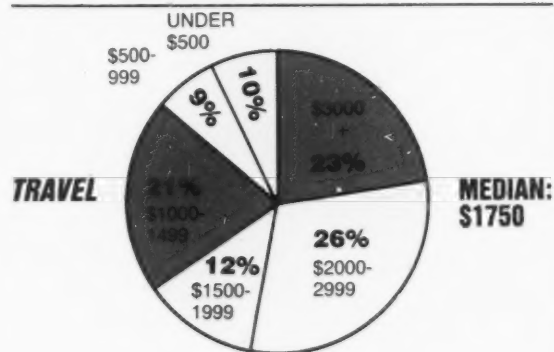
STOCK CATALOG

42%

OWN CATALOG

22%

COST OF AWARDS



WHY USE INCENTIVES?

INCREASE
VOLUME



BOOST
MORALE



SPECIFIC
LINES



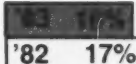
NEW
PRODUCTS



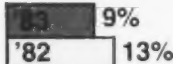
MARKET
SHARE



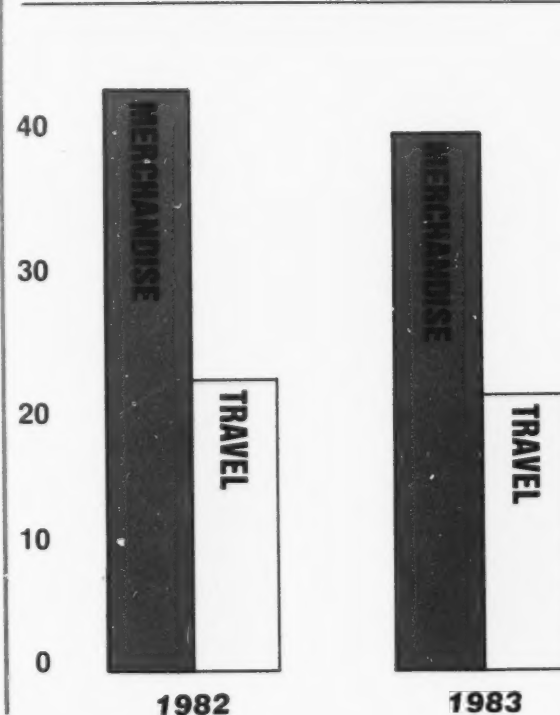
COMPETITIVE
TOOL

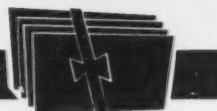


AID
TRAINING



% OF AWARD WINNERS





One-hundred and forty insurance marketing executives responded to IM's insurance survey, giving a picture of their incentive usage in 1983 and hopes for 1984. The response is similar to an IM survey done a year ago, and pinpoints interesting shifts in incentive policy. About half of the survey respondents identify themselves as life insurance companies, 13 percent as property and casualty underwriters, and about a third as handling both types. There was also a sprinkling of miscellaneous insurers, typically providing medical and health coverage.

Survey respondents tend to be from large companies, with about half selling through 1000 or more agents. In last year's survey, the average was 1600 agents per respondent.

Reflecting IM's readership, these companies are heavy users of travel and merchandise incentives. Travel expenditures ranged up to \$6 million, reported by one midwestern company. The average—distorted by a few multi-million dollar budgets—was \$750,000; the median travel expenditure was \$150,000 per travel-using respondent. In addition, these respondents spend an average of \$113,000 a year on merchandise incentives. The median merchandise budget was about \$50,000.

Insurance companies hold several distinctions in the incentive field. They are the largest user of sales force incentives, spending \$262,472,000 in 1983, which was about 7.8 percent more than a year earlier. Insurance companies are also the largest user of travel incentives, and the only industry which spends more incentive dollars on travel awards than on merchandise.

This year's special survey points out similarities and differences between insurance companies and other users of incentive promotion. In general, these key points emerge:

- Insurance companies are above-average users of travel incentives. Their per-winner trip cost is significantly higher—but their trip programs run, on average, about one night shorter. A good deal of that extra money probably goes into on-site business meetings, which insurance companies run at an above-average rate.
- They are below-average users of merchandise incentives, running about two campaigns a year. Award costs

run slightly below the general industry survey, with a median of \$50.

When insurance companies use incentives, it is for the most practical of reasons. The goal, says K.E. Vanriper at Farmers & Traders Life Insurance in Syracuse NY, "is to appeal to qualifiers to effectively activate them to produce more than they normally would." He uses two trips a year, taking 50 to 100 people to San Diego, Greenbriar, Boca Raton, and Smugler's Notch.

The biggest change in this year's survey was the increase in number of firms using incentives to "boost sales morale." Top goal remained "increasing overall volume."

When asked what goals they set for incentive programs, 93 percent of this survey group checked "Increase Overall Volume." The biggest change in this year's survey was the jump in "Boosting Sales Morale" as an incentive goal. Sixty-four percent of this survey group gave that as an incentive reason, against 47 percent last year. In surveys of general industry, "morale-building" has normally run third or fourth, getting about 47-percent response. "Selling New Products," which normally takes second place in general surveys, finished fourth in both insurance surveys.

The incentive of choice for these executives is travel. Ninety-two percent of this survey group reports using travel incentives on a regular basis, lumping together group travel (with or without spouse), regional trips, and individual travel awards. Merchandise awards are used by 74 percent of the respondents, while 84 percent indicate they run honors & recognition programs.

One trip a year fits neatly with the length of the travel promotion for many of these companies. Fifty-five percent of the travel users put their qualification period at 52 weeks; 15 percent said it runs a bit longer—typically, 15 to 18 months—while the remainder have shorter qualification periods. The mathematical average is 45 weeks, a bit longer than last year, when the average was put at 41 weeks. Many companies, it seems, are on a cycle of back-to-back trip qualifications, running one convention or incentive while in the middle of qualifying for another.

This presents a contrast to the travel practice in other industries, which tend to favor shorter qualification periods. An IM survey of travel users in other industries (October 1983) put the qualification period at about 28 weeks; 26 percent reported a qualification period of a year or longer.

A 52-week qualification period is not without problems. "Keeping people motivated over a long period of time" bothers S.M. Agnos at Certified Life in Sherman Oaks CA. And from Combined Insurance Companies of Northbrook IL, H. Shapiro says "the immediate impact is great. However, it loses steam. Keeping it alive within the sales force is a problem."

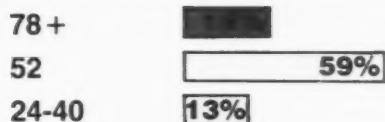
For these companies, incentive travel increasingly means agents and spouses, with 85 percent using couples trips. It's a lower percentage than the all-industry average, which typically is in the high 90s, but still an improvement over the year-ago figure for insurance companies. "Agent-only" trips are run by 18 percent of the travel users, and individual travel awards are used by 25 percent. Both figures are the same for 1983 and 1982.

When asked where they are going, survey respondents came up with 335 trip reports, covering almost the entire world. But for the top spots, there were few surprises, with Hawaii, California, and Florida continuing to jockey for 1-2-3 position. "The weather is our greatest problem—because of golf," writes a planner from the midwest. His solutions include Marco Island and Pebble Beach.

The groups they took in 1983 were a bit smaller, with an average of 272 people, against 284 a year ago. The

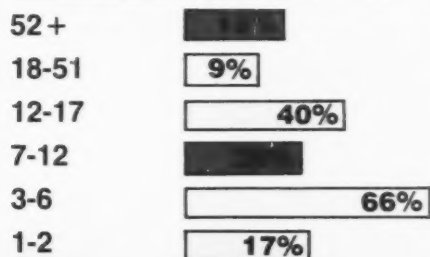
LENGTH OF PROMOTIONS

TRAVEL (IN WEEKS)



AVERAGE: 45 WEEKS

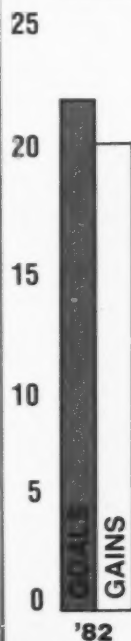
MERCHANDISE (IN WEEKS)



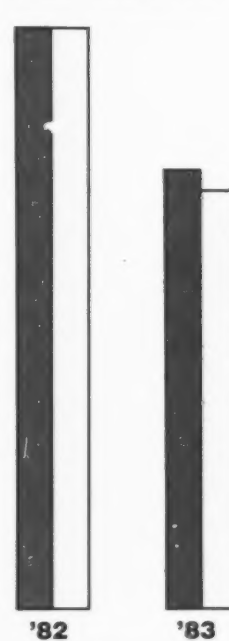
AVERAGE: 11 WEEKS

GOALS & GAINS

TRAVEL

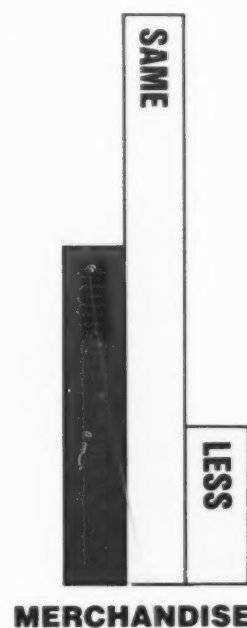


MERCHANDISE



THE OUTLOOK

% OF USERS PLANNING TO SPEND . . .



Although incentive plans usually meet objectives, tight budgets are forcing insurance firms to seek more incentive muscle for their money.

median rose slightly, to 150 this year, from 125. Reflecting this shift, there was a slight decline in the number of programs taking 60 or fewer people. This year and last, 29 percent of the survey group put their groups at 300 or more guests. This year, 24 percent put them at 60 or fewer, against 30 percent last year.

This year's survey group reports an average trip cost of \$1895 per couple, against \$1940 for last year's insurance group. The median was \$1750 per couple, up slightly from a year ago.

Several planners voiced the idea of searching for "sites that are within the budget, yet seem to be higher priced." "With ever rising costs, the greatest problem is getting the most you possibly can out of your dollar" says one Rock Island IL planner.

The big trend, as in the past several surveys of incentive users, is the problem of declining qualification rates. This year's survey reported a record low level of trip qualifiers—20 percent, on average, of the eligible participants—against 22 percent earning a trip in last year's insurance survey. In the most recent survey of overall incentive users, 26 percent of the typical sales force qualified for a trip.

The decline in qualification is probably a mixture of several factors. Rising travel costs play a role, as survey respondents are quick to note. A tough economic year does not help. On the positive side, however, is the fact that travel awards are today being offered to many more salespeople than a decade ago. A broader base may send more people on a trip—but actually take a lower percentage of eligible participants.

Planners are, judging from their comments, unhappy with the falling qualification rate, and searching for solutions. "The challenge is getting maximum motivation from the entire group," says **Paul G. Snow** at Family Life Insurance in Houston. "The winners (20 percent) always go after it. It's the remaining 80 percent that need special individual challenge to win."

The numbers on sales increases also tell the story of a tough year. In travel programs, this group set an average goal of a 17-percent sales increase. They reported an average increase of 18 percent. But the 57 percent of survey respondents who gave figures for

both goals and results perhaps give a more accurate picture. Of those, only one-quarter had results higher than goals. For the rest, results were equal to—and in one-third of the cases, below—the goals listed.

Some of this probably reflects the nature of travel campaigns—running 12 months a year, with no break, it's hard to know just what might have happened without any incentive at all.

Companies also got a bit tougher with agents this year, raising qualification levels. This group puts the minimum payoff at 91 percent of quota, and tops out at 130 percent. The comparable figures for last year's in-

Insurance firms got a bit tougher with their agents, raising contest qualification levels. Minimum payoff was 91 percent of quota this year, compared to 79 percent of quota last year.

survey were 79 percent and 112 percent. The 1983 group seems a bit more in line with overall industry performance, which starts awards at 99 percent, and finishes at 120 percent.

The common goal, however, was 100 percent. Fifty-eight percent of this survey group gave that answer (mainly in travel programs), indicating agents either hit the goal and earn the trip or don't.

If insurance companies are big spenders on travel awards, they spend less than average on merchandise incentives. This year's survey group reports an average awards cost of \$144, against \$175 a year ago. In both years, the median cost of a merchandise award is \$50. In the more general sales incentive survey, the average award cost is \$238, and the median \$80.

Part of that below-average cost may

be attributed to the insurance industry's above-average use of honors and recognition programs, which can confer big prestige with relatively low-cost awards. Another contributing factor are the New York state laws, which informally set limits on what can be spent.

This year as last, the median is two merchandise promotions a year, usually run apart from the ongoing travel promotion. They average 11 weeks in length, against 13 weeks a year ago. The most mentioned promotion periods were 3-6 weeks, (38 percent of the respondents), and 12-13 weeks, favored by about 20 percent. About 10 percent indicate they run year-long merchandise promotions; typically a travel and merchandise catalog campaign.

The favored format continues to be the "single premium, or small group of related awards," used by 62 percent. A stock incentive catalog is used by 42 percent, and 22 percent develop their own incentive catalogs.

The outlook for 1984, judging from these executives, is for the same gentle rate of growth, with travel slightly outpacing merchandise. Forty-three percent of this group plans to hike their travel budget in 1984, 31 percent plan increased merchandise promotion. Spending "about the same" is the game plan for 47 percent of the travel users, and 56 percent of the merchandise promoters. Cutbacks are coming at 10 percent of the travel programs, and 13 percent of the merchandise.

These figures match up with a general trend in the last few years: steady decreases in the number of companies planning big hikes in incentive spending. In recent surveys, the percentage of users picking "Same Level" or "Reduced" spending has increased.

On merchandise promotions, 35 percent gave the same dollar figures for both years, while 16 percent indicated a cutback in dollar terms.

Perhaps for most planners, the incentive challenge in 1984 will be the one posed by **Florence Brunner** at INA in Philadelphia, who runs a two-tier travel program for about 500 people, visiting Hawaii and Copenhagen, Monte Carlo, and Puerto Rico. "Our greatest challenge is making each program even better than the year before!" ■